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DIRECT LINE (202)

663-6093

RECORDATION NO

16690

FILED 1425

DEC 28 1989 - 1 20 PM 362A068

INTERSTATE COMMERCE COMMISSION

December 28, 1989

15.00 filing fee

Dear Mrs. McGee:

On behalf of First Pennsylvania Bank, N.A., I submit for filing and recording under 49 U.S.C. Section 11303 (a) and the regulations promulgated thereunder, two (2) counterparts of a primary document, not previously recorded, entitled Conditional Sales Agreement ("CSA") dated as of December 28, 1989.

The parties to the enclosed CSA are:

Delaware and Hudson Railway Company,
Acting by and through its Trustee,
Francis P. Dicello - Purchaser/Debtor
1575 I Street, N.W.
Washington, D.C. 20005

First Pennsylvania Bank, N.A.
as Trustee under a Trust Agreement
with (i) The Philadelphia National Bank and
(ii) Fidelity Bank, N.A., N.J. - Seller/Secured Party
c/o The Philadelphia National Bank
Leasing Department
FCI-7-55
P. O. Box 8377
Philadelphia, PA 19101-8377

The CSA covers a security interest to Seller in twenty (20) locomotives to secure purchase price payment by Purchaser.

A short summary of the document to appear in the ICC Index is as follows:

"Covers 20 locomotives, D&H 7401-7420"

Enclosed is a check in the amount of fifteen dollars (\$15.00) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart of the Termination of Lease not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this transmittal letter.

Very truly yours,



Allen H. Harrison, Jr.
Attorney for the purpose
of this filing for
First Pennsylvania Bank, N.A.

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

12/28/89

OFFICE OF THE SECRETARY

Allen H. Harrison ,Jr.
Wilmer,Cutler & Pickering
2445 H. Street N.W.
Washington,D.C. 20037-1420

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/28/89 at 1:26pm, and assigned recordation number(s). 16690

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16690
RECORDATION #73 FILED 1425

DEC 28 1989 -1 20 PM

INTERSTATE COMMERCE COMMISSION

Conditional Sales Agreement
Between
DELAWARE AND HUDSON RAILWAY COMPANY,
a Delaware corporation,
acting by and through its Trustee, Francis P. Dicello
and
FIRST PENNSYLVANIA BANK, N.A., as Trustee
under a Trust Agreement with The Philadelphia National Bank
and
as Trustee
under a Trust Agreement with First Fidelity Bank, N.A. N.J.

December 28, 1989

Conditional Sales Agreement

THIS Conditional Sales Agreement dated as of December 28, 1989, is between Francis P. Dicello, as Trustee in Reorganization for the Delaware and Hudson Railway Company, a Delaware corporation (the "Purchaser"), and First Pennsylvania Bank, N.A., not individually but solely as Trustee under a trust agreement with The Philadelphia National Bank, and as Trustee under a trust agreement with First Fidelity Bank, N.A. N.J. (the "Seller").

RECITALS

A. The Seller owns twenty (20) GP-39-2 diesel electric locomotives, as more fully described in Exhibit A hereto (the "Equipment" or individually a "Unit").

B. Purchaser is operating the Equipment under the terms of a lease agreement dated as of November 15, 1974 (the "Lease"). The Equipment is currently in the possession of the Purchaser.

C. Purchaser desires to purchase the Equipment and Seller desires to sell the Equipment, on an installment sale basis, subject to the terms and conditions set forth herein.

D. Purchaser filed a petition for bankruptcy under Subchapter IV of Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on June 20, 1988, Case #88-342.

E. Francis P. Dicello (the "Trustee") was appointed trustee pursuant to 11 U.S.C. §1163 on June 27, 1988.

NOW, THEREFORE, in consideration of the mutual premises and covenants set forth herein, the Purchaser and the Seller, intending to be legally bound, hereby agree as follows:

1. SALE OF EQUIPMENT

Subject to each of the terms and conditions of this Agreement, the Seller shall sell the Equipment to the Purchaser, and the Purchaser shall purchase said Equipment from the Seller, on an installment sale basis. The purchase of the Equipment shall occur on December 28, 1989 (the "Closing Date") and payment therefore shall be made on January 2, 1990

(the "Payment Date"), unless otherwise agreed to by the parties hereto.

2. PURCHASE PRICE, PAYMENT DATE

The aggregate purchase price (the "Purchase Price") of the Equipment shall be Four Million Eight Hundred Thousand Dollars (\$4,800,000). Payment of the Purchase Price shall be made to the Seller on the Payment Date, by wire transfer of immediately available funds to such bank or trust company as the Seller shall designate by not less than three days' prior notice to Purchaser.

3. PAYMENT OF LEGAL FEES, EXPENSES AND TAXES

A. Purchaser agrees to pay all reasonable attorneys' fees and out-of-pocket costs and expenses of Montgomery, McCracken, Walker and Rhoads, as counsel for the Seller, The Philadelphia National Bank ("PNB"), First Fidelity Bank, N.A. N.J. ("First Fidelity") and Radnor Associates Ltd. ("Radnor").

B. Purchaser further agrees to bear all filing and other costs and expenses associated with the transaction contemplated herein (including but not limited to all recording fees, license fees, assessment, charges, fines, or other costs or impositions relating to the Equipment or the transfer from Seller to Purchaser thereof).

C. Purchaser shall pay all sales taxes and any other Federal, state, local or foreign taxes (except taxes on income based on or measured by net income received by the Seller or Radnor as a result of the transaction contemplated herein).

4. TIME AND PLACE OF DELIVERY; CONDITION OF EQUIPMENT

The Purchaser shall accept delivery of the Equipment "as is, where is" on the Closing Date. Purchaser waives all right to inspect the Equipment prior to or on the Closing Date. SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, AND SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR USE. PURCHASER'S DELIVERY OF THE CERTIFICATE OF ACCEPTANCE REQUIRED UNDER SECTION 5 HEREOF SHALL BE CONCLUSIVE EVIDENCE THAT THE EQUIPMENT IS IN THE FOREGOING ASPECTS SATISFACTORY TO

PURCHASER, AND PURCHASER COVENANTS THAT IT WILL NOT ASSERT ANY CLAIM OF ANY NATURE WHATSOEVER AGAINST THE SELLER BASED ON ANY OF THE FOREGOING MATTERS.

5. INSPECTION AND ACCEPTANCE

On the Closing Date, the Purchaser shall execute and deliver to the Seller a certificate of acceptance (the "Certificate of Acceptance") in the form attached as Exhibit B hereto evidencing the delivery of the Equipment by the Seller and acceptance of such Equipment by the Purchaser.

6. DELIVERY OF TITLE BY SELLER

On the Closing Date, the Seller shall deliver to the Purchaser a bill of sale (the "Bill of Sale") in the form attached as Exhibit C hereto, dated as of the Closing Date, transferring title to the Equipment to the Purchaser. Seller shall also deliver a written opinion of Montgomery, McCracken, Walker & Rhoads, as counsel for the Seller, dated as of the Closing Date.

7. REMARKETING AGENT

The parties acknowledge that Radnor has provided certain remarketing service in connection herewith, and that Radnor's remarketing fees, anticipated to be fifteen percent (15%) of the aggregate Purchase Price, will be paid by Seller upon consummation of the transactions contemplated herein. The remarketing fee shall not be the responsibility of Purchaser, and Seller hereby agrees to indemnify and hold Purchaser harmless against any claim, loss, or injury arising out of the participation of Radnor in this transaction.

8. RESERVED LIEN

Seller hereby reserves and Purchaser hereby grants to Seller a security interest in and a lien upon the Equipment, as security for Purchaser's obligation to pay the Purchase Price on January 2, 1990 (the "Reserved Lien"). The Reserved Lien shall attach upon Purchaser's acceptance of the Equipment pursuant to Section 4 of this Agreement and shall be perfected upon filing of a copy of this Agreement with the Interstate Commerce Commission ("ICC") pursuant to 49 USC §11303 and 49 CFR Part 1177.

9. RELEASE OF RESERVED LIEN

The Reserved Lien shall terminate immediately upon the receipt in full by Seller on the Payment Date of the Purchase Price. Promptly upon the receipt of the Purchase Price, Seller shall file a release of the Reserved Lien with the ICC pursuant to 49 USC §11303.

10. RISK OF LOSS

Commencing on the date of execution of this Agreement and continuing thereafter until the Payment Date, Purchaser shall bear all risk of loss, damages or casualty with respect to the Equipment. Purchaser shall be obligated without exception to purchase the Equipment at the Closing Date at the full Purchase Price, and to pay the full Purchase Price on the Payment Date regardless of intervening casualty or damage or loss to all or any of the Equipment.

11. REHABILITATION

Seller acknowledges that Purchaser may enter into a rehabilitation agreement (the "Rehabilitation Agreement") for the Equipment with Morrison-Knudsen Company, Inc. Purchaser shall have the right to proceed under any such Rehabilitation Agreement as it deems appropriate. Notwithstanding the above, Purchaser shall obtain Waivers of Mechanic's Liens for the benefit of the Seller from Morrison-Knudsen prior to the commencement of any rehabilitation work.

12. REPRESENTATIONS AND WARRANTIES OF PURCHASER

As a material inducement to Seller to enter into this agreement and perform the terms hereof, Purchaser hereby represents and warrants to and with Seller that:

A. Purchaser filed a petition for bankruptcy under Subchapter IV of Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court on June 20, 1988, Case #88-342

B. The Trustee was appointed pursuant to 11 U.S.C. §1163 on June 27, 1988.

C. The execution, delivery and performance of this Agreement by the Trustee and the Purchaser have been duly authorized by an order of the Bankruptcy Court.

D. The Trustee has executed, pursuant to Bankruptcy Court authorization, a Locomotive Acquisition Loan

and Purchase Option Agreement with CSX Transportation, nc.
("CSX-T").

E. The consummation of the transaction contemplated by this Agreement will not conflict with, or result in a breach of or violation of, or default under: (i) the Articles of Incorporation or Bylaws of Purchaser, or (ii) any judgment, decree, mortgage, agreement, indenture or other instrument applicable to Purchaser; and Purchaser has no knowledge of any permit, consent, approval, authorization of, or filing with, any governmental regulatory agency or authority (excepting the Bankruptcy Court) which is required in connection with the execution, delivery and performance of this agreement or the transactions contemplated hereby.

F. The consummation of the transactions contemplated by this Agreement will not result in a violation or infraction of any local, state or federal statute or any rules or regulations issued by any regulatory agency thereunder.

G. This agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms.

13. COVENANTS OF PURCHASER

Between the date hereof, the Closing Date and the Payment Date, Purchaser hereby covenants to:

A. Have entered into a binding agreement with CSX which provides that CSX-T shall advance up to \$4,800,000 to pay the purchase price for the Equipment.

B. Perform all of its obligations under the Lease fully and properly (except maintenance obligations).

C. Maintain the Equipment free and clear of all liens and encumbrances (other than the lien of the Seller relating to this transaction) upon or with respect to the Equipment.

14. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS TO PERFORM ON THE CLOSING AND PAYMENT DATES

Seller's obligation to close hereunder shall be conditioned upon:

A. Approval of the transactions contemplated hereby shall have been obtained from the United States Bankruptcy Court for the District of Delaware in Case No. 88-342, on terms and conditions satisfactory to the Seller.

B. No default or termination of the agreement between the Purchaser and CSX-T described in Section 13 shall have occurred.

C. The final lease payment under the Lease shall have been made and there shall be no uncured defaults under the Lease (other than those relating to the Purchaser's maintenance obligations).

D. Purchaser shall have obtained Waivers of Mechanic's Liens, if any rehabilitation work on the Equipment has been undertaken by Morrison-Knudsen.

E. Purchaser shall have executed and delivered all documents necessary to secure Seller's interest in the Equipment during the period between the Closing Date and the Payment Date. Purchaser shall from time to time do and perform any acts and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit and rerecord whenever required) any and all further instruments required by law or requested by Seller for the purpose of proper protection, to its satisfaction, of Seller's reservation of lien on the Equipment, and Purchaser shall promptly furnish to Seller evidence of all such filings, registering, depositing or recording.

15. CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATION TO PERFORM ON THE CLOSING AND PAYMENT DATES

Purchaser's obligation to close hereunder shall be conditioned upon:

A. Seller shall have prepared, executed and shall deliver on the Closing Date, all documents necessary to release all liens of Seller, PNB and First Fidelity on the Equipment, in form and substance satisfactory to Purchaser, including but not limited to any statements or filing made with the ICC, except as to the Reservation of Lien provided in Section 8.

16. DEFAULT

If Purchaser fails to deliver the Purchase Price, or cause the Purchase Price to be delivered, to Seller on the Payment Date, and the Equipment is not purchased by a pledgee or assignee of Purchaser's rights under this Agreement, Seller

shall have all the rights and remedies permitted by law. The parties acknowledge that if Seller defaults on any of its obligations under this Agreement, Purchaser will have no adequate remedy at law, and shall therefore be entitled to seek specific performance of this Agreement in any court of competent jurisdiction. Purchaser shall also have all other rights and remedies permitted by law.

17. INDEMNIFICATION

Purchaser agrees to indemnify, and hold harmless Seller, PNB and First Fidelity, and their officers, directors, employees and agents, from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as a result of the entering into or performance of this Conditional Sales Agreement, the transfer of title to the Equipment to Purchaser pursuant to the terms of this Conditional Sales Agreement, the ownership of the Equipment, the use, operation or condition of any Unit, or any accident in connection with the use, operation, condition possession or storage of the Equipment resulting in damage to property or injury or death to any person. The indemnities arising in this section shall survive notwithstanding the payment in full of the Purchase Price, or the termination of this Conditional Sales Agreement.

18. NOTICES

Any notice to be given by either party to the other shall be in writing and shall be deemed to have been duly given when delivered personally or otherwise actually received at the following addresses:

If to the Purchaser: Francis P. Dicello, Trustee
Delaware and Hudson Railway
Company
1575 I Street, N.W.,
Suite 600
Washington, D.C. 20005

with a copy to: Ronald N. Jonkers, Esquire
Hazel, Thomas, Fiske,
Beckhorn & Hanes, P.C.
3110 Fairview Park Drive
Suite 1400
Falls Church, VA 22042

If to the Seller: The Philadelphia National Bank
Leasing Department
FC1-7-55
P.O. Box 8377
Philadelphia, Pa. 19101-8377

Attention: C. Rogers Childs

with a copy to: M. Ellen Moffett, Esquire
Montgomery, McCracken,
Walker
& Rhoads
Three Parkway
Philadelphia, PA 19102

or at other such address as such party shall hereafter furnish to the other party in writing.

19. ASSIGNMENT OR PLEDGE

Purchaser shall have the right to pledge or assign its rights under this Agreement subject to the terms of the Lease. Any such pledge or assignment shall not release Purchaser from its obligations under this Agreement.

20. SUCCESSORS AND ASSIGNS

References to any party shall be deemed to include the successors, pledgees and assignees of that party. Each party may conclusively assume that there has been no assignment or pledge of the other party's rights under this Agreement unless and until it has been notified in writing of an assignment or pledge by the assignor or pledgor.

21. TERMINATION

This Agreement shall terminate if the substance of its terms have not been approved by the United States Bankruptcy Court for the District of Delaware in Case No. 88-342 before the close of business on October 15, 1989.

22. ATTORNEYS' FEES

The prevailing party shall be entitled to reasonable attorneys' fees in any action arising out of or in connection with this Agreement.

23. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all communications, negotiations, and other agreements, whether written or oral, relating to the subject matter of this agreement and made before the date of execution of this Agreement.

24. SEVERABILITY

Any provision of this agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent that it is prohibited or unenforceable without invalidating the remaining provisions, and any prohibition or unenforceability in one jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.

25. LAW GOVERNING

This Conditional Sales Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

26. EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same instrument.

27. WAIVER

The terms of this Agreement may only be amended, waived, or changed by a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers

thereunder duly authorized as of the day and year first above written.

SELLER

ATTEST:

CWud

[Corporate Seal]

ATTEST:

CWud

[Corporate Seal]

FIRST PENNSYLVANIA BANK, N.A.,
as Trustee for
The Philadelphia National Bank

By: Mg

FIRST PENNSYLVANIA BANK, N.A.
as Trustee for
First Fidelity Bank, N.A. N.J.

By: Mg

PURCHASER

DELAWARE AND HUDSON RAILWAY
COMPANY, a Delaware
corporation, acting by and
through its Trustee,
Francis P. Dicello

By Francis P. Dicello, Trustee

ACKNOWLEDGED:

THE PHILADELPHIA NATIONAL BANK

By _____

FIRST FIDELITY BANK, N.A. N.J.

By _____

thereunder duly authorized as of the day and year first above written.

SELLER

ATTEST:

FIRST PENNSYLVANIA BANK, N.A.,
as Trustee for
The Philadelphia National Bank

By: _____

[Corporate Seal]

ATTEST:


FIRST PENNSYLVANIA BANK, N.A.
as Trustee for
First Fidelity Bank, N.A. N.J.

By: _____

[Corporate Seal]

PURCHASER

DELAWARE AND HUDSON RAILWAY
COMPANY, a Delaware
corporation, acting by and
through its Trustee,
Francis P. Dicello

By  _____
Francis P. Dicello, Trustee

ACKNOWLEDGED:

THE PHILADELPHIA NATIONAL BANK

By _____

FIRST FIDELITY BANK, N.A. N.J.

By _____

thereunder duly authorized as of the day and year first above written.

SELLER

ATTEST:

FIRST PENNSYLVANIA BANK, N.A.,
as Trustee for
The Philadelphia National Bank

By: _____

[Corporate Seal]

ATTEST:

FIRST PENNSYLVANIA BANK, N.A.
as Trustee for
First Fidelity Bank, N.A. N.J.

By: _____

[Corporate Seal]

PURCHASER

DELAWARE AND HUDSON RAILWAY
COMPANY, a Delaware
corporation, acting by and
through its Trustee,
Francis P. Dicello

By _____
Francis P. Dicello, Trustee

ACKNOWLEDGED:

THE PHILADELPHIA NATIONAL BANK

By C. Roger Childs, Jr.

FIRST FIDELITY BANK, N.A. N.J.

By _____

thereunder duly authorized as of the day and year first above written.

SELLER

ATTEST:

FIRST PENNSYLVANIA BANK, N.A.,
as Trustee for
The Philadelphia National Bank

By: _____

[Corporate Seal]

ATTEST:

FIRST PENNSYLVANIA BANK, N.A.
as Trustee for
First Fidelity Bank, N.A. N.J.

By: _____

[Corporate Seal]

PURCHASER

DELAWARE AND HUDSON RAILWAY
COMPANY, a Delaware
corporation, acting by and
through its Trustee,
Francis P. Dicello

By _____
Francis P. Dicello, Trustee

ACKNOWLEDGED:

THE PHILADELPHIA NATIONAL BANK

By _____

FIRST FIDELITY BANK, N.A. N.J.

By Joseph K. Lynch

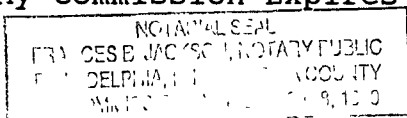
ACKNOWLEDGMENT

STATE OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS.

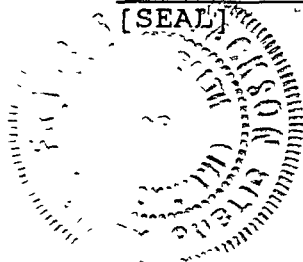
On this 28th day of November, 1987, before me personally appeared, RICHARD HOJNOWSKI, to me personally known, who being by me duly sworn, says that he is the ASSISTANT VICE PRESIDENT of First Pennsylvania Bank, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Francis B. Jackson
Signature of Notary Public

My Commission Expires



[SEAL]



ACKNOWLEDGMENT

STATE OF
COUNTY OF

:
 : SS.
 :

On this 19th day of December, 1989, before me personally appeared, Francis P. Dicello, to me personally known, who being by me duly sworn, says that he is the Trustee in bankruptcy for the Delaware and Hudson Railway, and that he is authorized to enter into the foregoing instrument, and he acknowledges that the execution of the foregoing instrument was his own free act and deed.

Jayne S. Walker
Signature of Notary Public

My Commission Expires

My Commission Expires June 14, 1993

[SEAL]

EXHIBIT A

**DELAWARE AND HUDSON RAILWAY COMPANY
7400 SERIES EMD GP-39-2'S**

<u>Present Road No.</u>	<u>New Road No.</u>	<u>Builder's Serial No.</u>
370	7401	74640-1
7402	7402	" -2
7403	7403	" -3
373	7404	" -4
374	7405	" -5
7406	7406	" -6
7407	7407	" -7
7408	7408	" -8
7409	7409	" -9
7410	7410	" -10
380	7411	" -11
7412	7412	" -12
382	7413	" -13
383	7414	" -14
384	7415	" -15
385	7416	" -16
386	7417	" -17
7418	7418	" -18
7419	7419	" -19
389	7420	74640-20

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

I, a duly appointed inspector and authorized representative of Francis P. Dicello, Trustee in bankruptcy of the Delaware and Hudson Railway Company (the "Purchaser") as Purchaser under the Conditional Sales Agreement dated as of December __, 1989, between First Pennsylvania Bank, N.A., as trustee for The Philadelphia National Bank, and as trustee for First Fidelity Bank N.A., N.J. (the "Seller"), hereby verify that I have inspected, received, approved and accepted delivery of the Equipment described in Exhibit A, on behalf of the Purchaser, on December 28, 1989.

Inspector and Authorized
Representative of the Purchaser

BILL OF SALE

This Bill of Sale ("Bill of Sale") is made as of December 28, 1989 by First Pennsylvania Bank N.A. as trustee under a trust agreement with The Philadelphia National Bank, and as trustee under a trust agreement with First Fidelity Bank N.A., N.J. (the "Seller").

RECITALS

A. Seller is the owner of the equipment identified in the Schedule attached as Exhibit A of this Bill of Sale (the "Equipment").

B. Seller has entered into a conditional sales agreement dated December 28, 1989 (the "Conditional Sales Agreement") with Francis P. Dicello, Trustee in bankruptcy for the Delaware and Hudson Railway Company for the sale of the Equipment.

Therefore, in exchange for the consideration stated in the Purchase Agreement, the Seller hereby:

1. Grants, bargains, sells, assigns, transfers and sets over to Purchaser all of Seller's right, title and interest in the Equipment; and

2. Warrants that it has legal title to all of the Equipment and has the lawful right to sell the Equipment. Seller further warrants that title to each unit of Equipment hereby transferred is, as of December 28, 1989, free of all claims, liens and encumbrances of any nature created by First Pennsylvania Bank N.A., The Philadelphia National Bank, or First Fidelity Bank N.A., N.J., other than the Reserved Lien (as defined in the Purchase Agreement).

FIRST PENNSYLVANIA BANK N.A., as
trustee for The Philadelphia
National Bank

By: _____

FIRST PENNSYLVANIA BANK N.A., as
trustee for First Fidelity Bank
N.A., N.J.

By: _____

EXHIBIT A

DELAWARE AND HUDSON RAILWAY COMPANY
7400 SERIES EMD GP-39-2'S

<u>Present Road No.</u>	<u>New Road No.</u>	<u>Builder's Serial No.</u>
370	7401	74640-1
7402	7402	" -2
7403	7403	" -3
373	7404	" -4
374	7405	" -5
7406	7406	" -6
7407	7407	" -7
7408	7408	" -8
7409	7409	" -9
7410	7410	" -10
380	7411	" -11
7412	7412	" -12
382	7413	" -13
383	7414	" -14
384	7415	" -15
385	7416	" -16
386	7417	" -17
7418	7418	" -18
7419	7419	" -19
389	7420	74640-20